



FY2013 Performance and Accountability Report

Montgomery County
Office of Management and Budget





Montgomery County Office of Management and Budget FY2013 Performance and Accountability Report



OMB Alignment to County Priority Objectives

Montgomery County Priority Objectives

- **A Responsive and Accountable Government**
- Affordable Housing in an Inclusive Community
- An Effective and Efficient Transportation Network
- Children Prepared to Live and Learn
- Healthy and Sustainable Communities
- Safe Streets and Secure Neighborhoods
- A Strong and Vibrant Economy
- Vital Living for All of Our Residents

OMB Headline Performance Dashboard

<u>Headline Performance Measure</u>	<u>FY12 Results</u>	<u>FY13 Results</u>	<u>Performance Change</u>
Overall Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award ratings - Percent rated outstanding or proficient	97.5%	95.1%	
Percentage of customers rating OMB services as good or very good on the OMB customer survey for the budget process	79.4%	75.0%	
Percentage of requests processed within 14 days	N/A	N/A	
Year-over-year growth in Full-time Equivalents (FTEs)	2.55%	2.43%	
Year-over-year growth in Positions	1.32%	1.81%	



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OMB At A Glance

What Department Does and for Whom	How Much/How Many
<p><u>Overall:</u> The Mission of the Office of Management and Budget is to support and enhance the effective and efficient operation of County government, maintain the County's fiscal integrity and financial condition, and preserve the County's AAA bond rating.</p>	<p>Total Operating Budget: \$ 3,373,570 Total Full-Time Equivalents (FTEs): 27.5 Total number of positions: 32 (excluding 3.5 FTEs detailed to ERP, .5 charged to Employee Health Benefit Self Insurance Fund, and lapse assumption)</p>
<p><u>Budget Preparation and Administration:</u> Preparing and administering the operating and capital budgets, the six-year Capital Improvements Program (CIP), and the six year fiscal plan (operating budget)</p>	<p>Budget: \$ 1,686,785 Full-Time Equivalents (FTEs): 13.75 50.0% of total budget</p>
<p><u>Performance Analysis and Improvement:</u> Providing management support through coordination of productivity improvements, performance measurement, and program evaluation</p>	<p>Budget: \$674,714 Full-Time Equivalents (FTEs): 5.5 20.0% of total budget Continued implementation of Results-Based Budgeting</p>
<p><u>Provision and Support of Budget Information Systems:</u> Developing, administering, and providing information technology systems (including ongoing customer support for these systems) that allow County Departments to prepare, manage, and analyze their operating and capital budgets</p>	<p>Budget: \$506,036 Full-Time Equivalents (FTEs): 4.2 15.0% of total budget</p>



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OMB At A Glance (cont.)

What Department Does and for Whom

Provision of Fiscal Information and Advice:

Providing accurate, timely, and objective information, analysis, and recommendations to the County Executive, County departments, the County Council, and the general public on fiscal issues

How Much/How Many

Budget: \$337,357

Full-Time Equivalents (FTEs): 2.75

10.0% of total budget

Conducted 6 community budget forums and provided numerous other presentations to various unions, committees, resident groups, foreign delegations, and employees on fiscal and management issues.

Prepared over 50 fiscal impact statements

Drafted 22 County Executive Constituent Correspondences (CECCs)

Policy Development and Implementation:

Developing, promulgating, and applying appropriate budgetary policies and procedures

Budget: \$168,678

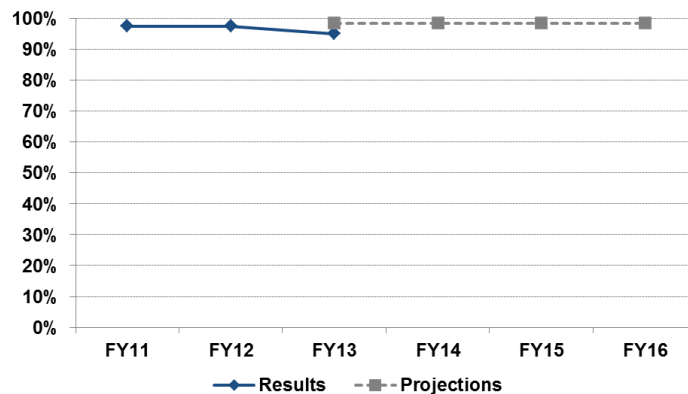
Full-Time Equivalents (FTEs): 1.37

5.0% of total budget



Headline Performance Measure 1: Overall Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award ratings – percent rated outstanding or proficient

Performance Trends



	FY11	FY12	FY13	FY14	FY15	FY16
Results	97.5%	97.5%	95.1%			
Projections			98.5%	98.5%	98.5%	98.5%

Factors Contributing to Current Performance

- Analysis of prior year GFOA “does not satisfy” responses has led to improvements in areas such as unit goals and objectives, short-term organization-wide policies, and impact of capital improvements on operating budget

Factors Restricting Performance Improvement

- Varied quality of performance measures in budget
- Understandability and usability of some portions of the published budget

Performance Improvement Plan

OMB will continue to monitor GFOA “does not satisfy” responses to budget submissions and act on any analysis conducted where appropriate for the County’s budget publication needs.

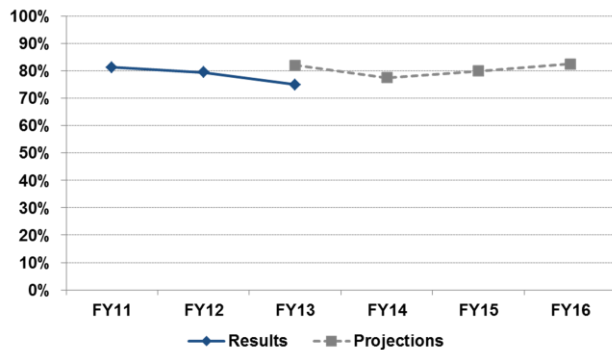
OMB will continue to implement Results Based Budgeting to improve process and analytical criteria used to evaluate operating and capital budget requests to more closely link that evaluation with measures that indicate contribution to achievement of County Executive priority results.

OMB will look to improve the quality and use of performance measures (headline measures and program performance measures) by departments and OMB in resource allocation decisions and program management.



Headline Performance Measure 2: Percentage of customers rating OMB services as good or very good on the OMB Customer Survey for the budget process

Performance Trends



	FY11	FY12	FY13	FY14	FY15	FY16
Results	81.3%	79.4%	75.0%			
Projections			82.0%	77.5%	80.0%	82.5%

Factors Contributing to Current Performance

- Training and instructional materials provided by OMB to departments for budget process
- Increased focus on customer service

Factors Restricting Performance Improvement

- Budget submission software (undergoing upgrades for FY14 budget process)
- Need for better training of analysts
- Need for more clear and consistent guidance in budget instruction materials

Performance Improvement Plan

- OMB holds “Good, Bad, and Ugly” feedback sessions after the budget. Information gained from these sessions is used to improve future budget processes.
- Staff training will be conducted through a staff development program designed to sharpen analytical skills and improve substantive knowledge of relevant public policy subjects.
- Reduce staff turnover which will improve depth of analysts’ knowledge.



Headline Performance Measure 3: Percentage of requests processed within 14 days.

Performance Trends

Factors Contributing to Current Performance

- This measure is currently under construction

Factors Restricting Performance Improvement

- This measure is currently under construction

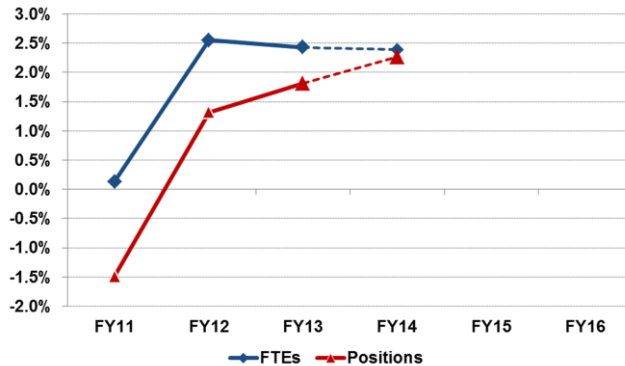
Performance Improvement Plan

- This measure is currently under construction



Headline Performance Measure 4: Year-over-year Growth in Full-time Equivalents (FTEs) and Positions

Performance Trends



	FY11	FY12	FY13	FY14	FY15	FY16
FTEs - Results	0.13%	2.55%	2.43%			
FTEs - Projections				2.39%	--	--
Positions - Results	-1.49%	1.32%	1.81%			
Positions - Projections				2.26%	--	--

Factors Contributing to Current Performance

- Economic conditions are limiting the amount of new FTEs the County can add
- Policy during the budget development process keeping FTE/position growth to a minimum analyzing all new position requests and providing alternatives

Factors Restricting Performance Improvement

- County priorities that lead to increased positions primarily in the Departments of Police, Public Libraries, Fire and Rescue Services, Liquor Control, and Finance
- State and Federal mandates requiring more FTEs/positions at the County level

Performance Improvement Plan

- Results reflect the actual year-over-year growth approved in the budget from the previously approved fiscal year
- Projections reflect the change in the County Executive's Recommended FY15 budget. Projections are not done for out years as these are driven by County Executive priorities and economic realities during budget construction
- Maintain policy during budget development process to keep FTE/position growth to a minimum, analyzing all new position requests and providing alternatives



Responsive and Sustainable Leadership:

Responsive and Sustainable Leadership has been the cornerstone of the County Executive's vision for Montgomery County government. To advance this vision, we have identified eight overarching goals for all County departments:

1) Effective and Productive Use of the Workforce/Resources:

Department actively works to effectively and productively use its workforce/resources, including, but not limited to, better management of overtime, implementation of productivity improvements, reduction of ongoing costs, and efficient use of other resources.

a) 100% decrease in average overtime hours used by all full-time, non-seasonal employees. (0 .03 hrs. in FY12 to 0 hrs. in FY13) (Source: CountyStat)*

b) 0.6 percentage point increase in average Net Annual Work hours for all full-time, non-seasonal employees. (Source: CountyStat)*

**Values are based on the employee's HR Organization and not assigned Cost Center(s)*

2) Internal Controls and Risk Management:

Department actively assesses its internal control strengths, weaknesses, and risks regarding compliance with laws, regulations policies and stewardship over County assets. Department reviews and implements Internal Audit recommendations in a systematic and timely manner, and proactively manages risk pertaining to improving workplace safety, decreasing work-related injuries, and reducing County exposure to litigation.

a) OMB had no audit recommendations since issuance of the audit report in the last 12 months. (Source: Internal Audit will provide to CountyStat)

b) 100% decrease in number of work-related injuries; 1 in FY12 and 0 in FY13 (Source: Risk Management)



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3) Succession Planning:

Department actively plans for changes in its workforce, in order to maintain continuity of services, develop staff capabilities, maintain and/or transfer knowledge, and enhance performance.

a) List all the key positions/functions in your department that require succession planning (Source: Department Survey)

- Operating Budget Manager
- Capital Budget Manager
- IT Positions
- PSP Coordinator
- CIP Coordinator

Both the Capital Budget Coordinator and the Operating Budget coordinator are particularly critical positions that require succession planning. Both incumbents work with analysts who understand the process that each uses to perform their functions.

b) 0% of those identified key position/functions have developed and implemented long-term succession planning (Source: Department Survey)

4) Mandatory Employee Training:

Department systematically monitors and actively enforces employees' mandatory and/or required trainings.

37% of department's employees who have fulfilled mandatory County/State/Federal training requirements (Source: Department)

OMB systematically monitors and actively enforces employees' mandatory and/or required trainings. Staff cumulatively completed over 650 County-sponsored training classes in the past ten years. OMB also actively participates in training outside of County with industry professional organizations such as the Government Finance Officers Association (GFOA).

37 % of department's employees have fulfilled mandatory County training requirements for Preventing Workplace Harassment within the past 3 years.

During the period of performance, OMB held 6 brown bag lunches for staff on various topics.



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5) **Workforce Diversity and MFD Procurement:**

Department actively participates in the recruitment of a diverse workforce and enforcement of MFD procurement requirements.

Workforce Diversity: Department actively participates in the recruitment of a diverse workforce and enforcement of MFD procurement requirements

MFD Procurement: refer to or attach summary yearly report prepared by DGS
(Source: Department provides and CountyStat validates) ([Link to report](#))

OMB procurement data are not reported by DGS as it does not meet the \$5 million dollar reporting threshold.



6) Innovations:

Department actively seeks out and tests innovative new approaches, processes and technologies in a quantifiable, lean, entrepreneurial manner to improve performance and productivity.

Total number of innovative ideas/project currently in pipeline for your department, including the ones initiated in coordination with the Montgomery County Innovation Program. (Source: Department)

Expected (or achieved) return on investment for each of those innovative ideas/projects, quantified in terms of at least one of the following measures: increased effectiveness/efficiency, cost savings/avoidance, increased transparency/accountability, or increased customer satisfaction. (Source: Department)

Implement Hyperion Budgeting for Decision Support – Consolidates all OMB’s remaining disparate budget systems into a single Hyperion application; reduces duplicate data entry by departments and OMB staff; consolidates spreadsheet applications such 6-Year Fund displays into a centralized system; decentralizes current processes so departments can load Future Fiscal Impacts and update Mission Statements/Program Descriptions without having OMB staff enter the hand-annotated documents received by departments.

Implement Group Insurance One Rate - Instead of budgeting group insurance by individual Plans and Coverage (which required OMB to update tables with rates/amounts for over 50 options), the department is budgeting Group Insurance by a position with a single amount (based on actuarial figures). This makes budgeting group insurance easier, reduces maintenance tables, and provides a more accurate reflection of Group Insurance amounts by position.

Streamline Encumbrance Liquidation Process – Created a series of liquidation reports on the new Purchasing Dashboard that eliminates the need for OMB to create and distribute spreadsheets to departments. Departments can now extract the data into the spreadsheets themselves and submit their data to OMB directly.

Strengthen Cross-functional Analytical Capabilities - Teams of analysts have been created in order to improve cross-coverage and exchange of information among analysts. Managers hold periodic team meetings to provide cross-training on high-impact issues and build subject matter expertise.

openMontgomery/dataMontgomery – The Office of Management and Budget became one of the County’s first departments to participate in the dataMontgomery website, which is part of the County’s larger openMontgomery initiative. Working with the Department of Technology Services, OMB posted the FY14 approved operating budget and this new platform allows users to sort/filter data and visualize data (create graphs, charts, etc.) using any criteria they wish.

eBudget – created a web-based system using WordPress, an open-source content management system to address critical needs of OMB: a central location to find documents, status reports, dashboards, forms, and other information; an easy to use interface to allow OMB staff to quickly complete tasks; and a tool to help organize internal processes and procedures.



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7) **Collaborations and Partnerships:**

Department actively participates in collaborations and partnerships with other departments to improve results beyond the scope of its own performance measures. Please only list accomplishments that had positive results for other department(s) as well.

a) Total \$\$ saved by through collaborations and partnerships with other departments (Source: Department) (Under construction)

b) List your accomplishments and/or expected results (Source: Department)

Identify Opportunities to Increase Budgeting Process Efficiency- OMB is evaluating existing operations to identify opportunities to streamline processes for both OMB staff as well as department budget offices. This effort also relates to the implementation of Hyperion system and the incorporation of future ERP updates.

Streamlining CIP Processes with the Department of Finance- working with Finance to streamline and better integrate all CIP processes for interfacing and reconciling CIP budgets and actuals. This will include jointly implementing a new process for recording partial closeouts in Oracle, PnG, and Hyperion as well as interfacing supplementals and transfers into Oracle and PnG directly from Hyperion. With new people and systems in place, all prior procedures are being reviewed to eliminate unnecessary and redundant work. This will improve efficiency and provide more consistent and accurate numbers for departments.

Revising CIP Program of Requirements Process with the Department of General Services- OMB is overhauling its approach to reviewing CIP Programs of Requirements (project scope documents). Included in this process change is an earlier and more proactive OMB involvement in POR development. This includes more active use of benchmarking, program need (as appropriate) and space need validation, and initial cost estimating as part of the POR development process so that we can determine if the scope needs to be scaled back prior to undertaking expensive design work. This should provide cost savings and efficiency. This has involved significant collaboration with Department of General Services.

Increasing CIP Benchmark Analysis in Conjunction with the Department of General Services and CountyStat- in response to OMB's emphasis on cost benchmarking, the Department of General Services has undertaken a cost benchmarking analysis. OMB and CountyStat are active participants in the ongoing evaluation effort.



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8) Environmental Stewardship:

Department actively makes appropriate changes to workplace operations, workflow, employee behavior, equipment use, and public interactions to increase energy-efficiency, reduce its environmental footprint, and implement other environmentally responsible practices.

- a) 105% increase in print and mail expenditures (Source: CountyStat)*
- b) 15% increase in paper purchases (measured in total sheets of paper) (Source: CountyStat)*
- c) List your accomplishments and/or expected results (Source: Department)*

OMB has significantly reduced the numbers and sizes of its budget publications to reduce paper usage and save money. In addition, OMB has increased usage of shared network drives as a means of sharing information with departments and Council to avoid the use of hard copy documents.